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EXAMINER

CHENCINSKI, SIEGFRIED E

ART UNIT	PAPER NUMBER
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3628

DATE MAILED: 05/07/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/541,197

Applicant(s)

GOLDEN, JEROME S.

Examiner

Siegfried E. Chencinski

Art Unit

3628

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 19 February 2004.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-54 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-54 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. _____.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date _____.
- 4) ☐ Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____.
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: _____.

DETAILED ACTION

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

1. Claims 1-4, 6, 7, 40, 41, 45 & 47 are rejected under 35 U.S.C. 103(a) as being unpatentable over Tarbox (US Patent 6,154,732) in view of Jones (US Patent 6,021,397), and further in view of Cooperstein (US Patent 5,893,071), and Barron's Dictionary of Insurance Terms, 3rd Ed.

Re. Claim 1, Tarbox discloses a method for providing a person with a secure retirement program using assets owned by said person, comprising the steps of (Col. 1, line 61 – Col. 2, line 3, Col. 2, Lines 35-36):

- selecting at least one desired benefit for retirement from a group of available benefits (Col. 1, line 66, Col. 4, l.65 – Col. 5, ll. 5, 20-41. Selecting is inherent);
- specifying an allocation plan of a desired portion of said assets to said selected benefits during a future period of time (Tarbox – Abstract; Col. 1, ll. 56-16, 17, 61-64; Col. 2, ll. 35-36, 59-64; Col. 3, ll. 63-67; Col. 4, ll. 1-18Col. 5, 24-25; Col. 11, ll. 59-60; Col. 13, ll. 3-4).
- allocating portions of said assets among at least one asset vehicle from a plurality of available asset vehicles and towards purchasing a fraction of said selected benefits by funds corresponding to said at least one asset vehicle at selected intervals within said period of time (Col. 1, line 3, Col. 2, Lines 35-36);

Further, Tarbox also discloses specifying an allocation period for allocating a desired portion of said assets to said selected benefits during said allocation period (Col. 2, lines 49-51).

Tarbox does not explicitly disclose

Art Unit: 3628

- the conversion of assets and related conversion periods
- calculating benefit payments corresponding to said selected retirement benefits for said person during and after said conversion period, wherein said benefit payments during said conversion period are made from said at least one asset vehicle and said purchased benefits, and said benefit payments after said conversion period are provided by said purchased benefits.

However, conversion is well known in the financial services art as disclosed by Barron's Dictionary of Insurance Terms, pp. 103-104, which states ""in group health insurance, a provision that allows a certificate holder to convert group coverage to an individual policy under specified conditions; also, the conversion of an employee's contributions of a defined benefit plan into a life annuity benefit payment stream at retirement. It would therefor have been obvious to an ordinary practitioner of the art at the time of Applicant's invention to have considered the conversion of financial contracts as well known in the art and to have applied the concepts of conversion over a period of time during which the conversion from one asset to another takes place under either a fixed or negotiable set of contractual conditions. A financial institution might, for example, offer a fixed set of conditions or limited options thereof to conversion assets below a certain value and might offer a negotiated set of conditions to assets valued above such a threshold.

Jones and Cooperstein disclose calculating benefit payments corresponding to said selected retirement benefits for said person during and after said conversion period, wherein said benefit payments during said conversion period are made from said at least one asset vehicle and said purchased benefits, and said benefit payments after said conversion period are provided by said purchased benefits (Jones - Abstract, lines 1-4 - simulation; Cooperstein - Col. 3, lines 30-40 - annuity). Further, it is obvious that these contracts are all about payments being made and/or which are to be made to a beneficiary, who can be the user/customer/owner of a policy contract or a beneficiary designated by the user/customer/owner of the policy contract. The details of the chosen arrangements obviously can involve simultaneous payments from both the old/existing asset(s) and the new benefit contract during a conversion period in those cases where

Art Unit: 3628

the old/existing asset is, or is in a position to, make benefit payments since that is all a part of the well known practice of conversions. Therefore, it would have been obvious to an ordinary practitioner of the art at the time of applicant's invention to combine the disclosures of Tarbox with the disclosures of Jones, Cooperstein and Barron's Dictionary of Insurance to provide a method for the conversion of personal assets into an individual retirement benefit program. The motivation for this combination would have been to provide more disclosure of the workings of the purchased benefit plans so that customers can appreciate and act on all such contracts critical components (Cooperstein, Col. 3, ll. 6-11).

Re. Claims 2 & 3, Tarbox, Jones and Cooperstein do not explicitly disclose:

- **Re. Claim 2**, the method of claim 1, further comprising the step of accelerating said conversion period such that the remaining allocated asset of said client is applied to the purchase of said selected benefits at any time during said conversion period.
- **Re. Claim 3**, the method of claim 2, further comprising the step of allowing said person to accelerate said conversion period such that the remaining allocated assets of said person are applied to the purchase of said selected benefits.

However, Barron's Dictionary of Insurance Terms discloses:

- **Re. Claim 2**, a method of claim 1, further comprising the step of accelerating said conversion period such that the remaining allocated asset of said client is applied to the purchase of said selected benefits at any time during said conversion period (Acceleration - page 2).
- **Re. Claim 3**, a method of claim 2, further comprising the step of allowing said person to accelerate said conversion period such that the remaining allocated assets of said person are applied to the purchase of said selected benefits (Acceleration - page 2).

Barron's demonstrates that acceleration of benefits is a long standing tool in the insurance segment of the financial services industry. Therefore, it would have been

Art Unit: 3628

obvious to an ordinary practitioner of the art at the time of applicant's invention to combine the disclosures of Tarbox, Jones and Cooperstein with the disclosures of Barron's Dictionary of Insurance to provide a method for the conversion of personal assets into an individual retirement benefit program which is capable of making use of enhanced features when a need for such features arises (Cooperstein, Col. 3, ll. 6-11).

Re. Claim 4, Tarbox discloses a method of claim 1, further comprising the step of querying said person with a plurality of decisions concerning the types of benefits desired by said person (Col. 2, lines 1-3, 52-58).

Re. Claim 6, Tarbox discloses a method of claim 4 further comprising the step of querying said person a choice of conversion periods for allocating said person's asset towards said selected benefits (Col. 2, lines 1-3, 52-58, Inherent).

Re. Claim 7, Tarbox discloses a method of claim 6 further comprising the step of selecting a plurality of conversion periods corresponding to a plurality of different assets owned by said person (Col. 2, lines 1-3, 52-58, Inherent).

Re. Claim 40, Tarbox discloses method in accordance with claim 1 wherein said desired portion of said assets is the entire amount of said asset (T- Col. 3, lines 42-47, effects of self direction).

Re. Claim 41, Tarbox, Jones and Barron's Dictionary of Insurance Terms do not explicitly disclose a method in accordance with claim 1 further comprising the step of making benefit payments in accordance with said calculating step. However, Cooperstein discloses a method in accordance with claim 1 further comprising the step of making benefit payments in accordance with said calculating step (Col. 5, lines 4-10). Therefore, it would have been obvious to an ordinary practitioner of the art at the time of applicant's invention to combine the disclosures of Tarbox, Jones and Barron's Dictionary of Insurance with the disclosures of Cooperstein to provide a method for the conversion of personal assets into an individual retirement benefit program.

Re. Claim 45, Tarbox discloses a method in accordance with claim 1 further comprising the step of modifying the length of said conversion period at any time during said conversion period (Col. 3, lines 42-47, effects of self direction).

Art Unit: 3628

Re. Claim 47, Tarbox discloses a method in accordance with claim 7 further comprising the step of selecting by said person desired benefits to be received (Col. 1, line 66, selecting is inherent).

2. Claims 5, 8-13, 46, 48, 52 & 53 are rejected under 35 U.S.C. 103(a) as being unpatentable over Tarbox in view of Jones, Cooperstein and the Barron's Dictionary of Insurance Terms as applied to claims 1 & 4 above, and further in view of Tyler (US Patent 5,523,942).

Re. Claims 5, 8-13, 52 & 53, Tarbox, Jones, Cooperstein and the Barron's Dictionary of Insurance Terms do not explicitly disclose:

- **Re. Claim 5**, a method of claim 4, wherein said step of querying further comprises the step of allowing a person to select at least one retirement benefit from a group consisting of pension benefit, survivor pension benefit, caregiver income benefit, legacy income benefit, legacy lump sum benefit and long term care benefit.
- **Re. Claim 8**, a method according to claim 7 further comprising the step of receiving health status and age information from said person.
- **Re. Claim 9**, a method of claim 8 further comprising the step of allowing said person to select at least one asset vehicle account and one investment vehicle from a plurality of asset vehicle accounts and investment vehicles.
- **Re. Claim 10**, a method of claim 9 further comprising the steps of:
 - performing actuarial valuation at said selected intervals so as to determine the value of each of said benefits to be purchased during said conversion period;
 - calculating the market value of remaining assets to be converted during the remaining portion of said conversion period; and

- allocating said identified assets towards the purchase of said benefits based on said actuarial valuation of each of said benefits.
- **Re. Claim 11**, a method according to claim 10 further comprising the step of simulating results of conversion for various hypothetical conversion periods and various desired benefits using investment vehicles specified by said person, said simulation step employing a plurality of random market scenarios.
- **Re. Claim 12**, a method according to claim 11 further comprising the step of employing a statistical analysis to determine probabilities of achieving desired benefits at the end of said hypothetical conversion periods.
- **Re. Claim 13**, a method according to claim 10 further comprising the step of allowing said client to modify any one of said benefits.
- **Re. Claim 52**, a method in accordance with claim 1 further comprising the step of
 - maintaining regulations concerning said benefit payments; and
 - applying said regulations during said step of calculating said benefit payments.
 - **Re. Claim 53**, a method in accordance with claim 52 wherein said regulations comprise applicable tax laws.

However, **re. Claim 11**, Jones discloses a method according to claim 10 further comprising the step of simulating results of conversion for various hypothetical conversion periods and various desired benefits using investment vehicles specified by said person, said simulation step employing a plurality of random market scenarios (Col. 2, lines 49-51).

Further, Tyler discloses:

- **Re. Claim 5**, a method of claim 4, wherein said step of querying further comprises the step of allowing a person to select at least one retirement benefit from a group consisting of pension benefit, survivor pension benefit, caregiver income benefit, legacy income benefit, legacy lump sum benefit and long term care benefit (Abstract; Choices of Life Insurance Proposals).

Art Unit: 3628

- **Re. Claim 8**, a method according to claim 7 further comprising the step of receiving health status and age information from said person (Col. 1, line 45; Col. 4, lines 65-67; Col. 5, lines 32-36).
- **Re. Claim 9**, a method of claim 8 further comprising the step of allowing said person to select at least one asset vehicle account and one investment vehicle from a plurality of asset vehicle accounts and investment vehicles (Col. 1, lines 49-58; Col. 4, line 65 – Col. 5, line 5).
- **Re. Claim 10**, a method of claim 9 further comprising the steps of:
 - performing actuarial valuation at said selected intervals so as to determine the value of each of said benefits to be purchased during said conversion period (Col. 5, lines 2-5, lines 11-18);
 - calculating the market value of remaining assets to be converted during the remaining portion of said conversion period (Col. 5, lines 11-18; Col. 6, lines 59-65); and
 - allocating said identified assets towards the purchase of said benefits based on said actuarial valuation of each of said benefits (Col. 6, lines 13-45).
- **Re. Claim 12**, a method according to claim 11 further comprising the step of employing a statistical analysis to determine probabilities of achieving desired benefits at the end of said hypothetical conversion periods (Col. 3, lines 42-47, effects of self direction; Jones - Col. 2, lines 37-38, 49-64).
- **Re. Claim 13**, a method according to claim 10 further comprising the step of allowing said client to modify any one of said benefits (Col. 6, lines 13-14).
- **Re. Claim 52**, a method in accordance with claim 1 further comprising the step of
 - maintaining regulations concerning said benefit payments (Col. 1, lines 49-58; Col. 5, lines 20-21; inherent in financial product information disclosure); and
 - applying said regulations during said step of calculating said benefit payments (Col. 1, lines 49-58; Col. 5, lines 20-21; inherent in financial product benefit designs and benefit calculations).

Art Unit: 3628

- **Re. Claim 53**, a method in accordance with claim 52 wherein said regulations comprise applicable tax laws (Col. 1, lines 49-58; Col. 5, lines 20-21; inherent in financial product designs and benefit calculations.

Therefore, it would have been obvious to an ordinary practitioner of the art at the time of applicant's invention to combine the disclosures of Tarbox, Jones, Cooperstein and Barron's Dictionary of Insurance with the disclosures of Tyler to provide a method for the conversion of personal assets into an individual retirement benefit program.

Re. Claim 46, Tarbox discloses a method in accordance with claim 5 further comprising the step of allowing a user to select a benefit program payment index for said benefits (Col. 3, lines 42-47, effects of self direction).

Re. Claim 48, Tarbox discloses a method in accordance with claim 12 further comprising the step of enabling a user to select specific probabilities and to review results corresponding to said selections (Col. 3, lines 42-47, effects of self direction).

3. Claims 42-44 are rejected under 35 U.S.C. 103(a) as being unpatentable over Tarbox in view of Jones, Cooperstein and Barron's Dictionary of Insurance Terms as applied to claim 1 above, and further in view of Banks (US Patent 5,913,198).

Re. Claim 42, neither Tarbox, Jones nor Cooperstein explicitly disclose:

- a method in accordance with claim 1 further comprising the step of accelerating said conversion step when the market value of said investment vehicles reaches a predefined threshold level.
- a method in accordance with claim 1 further comprising the step of providing a stop/loss indication information.

However, Barron's Dictionary of Insurance Terms discloses a method in accordance with claim 1 further comprising the step of accelerating said conversion step when the market value of said investment vehicles reaches a predefined threshold level (Acceleration - page 2).

Art Unit: 3628

And, Banks discloses a method of providing a stop/loss indication information (Col. 9, line 29).

Therefore, it would have been obvious to an ordinary practitioner of the art at the time of applicant's invention to combine the disclosures of Tarbox, Jones, Cooperstein and with the disclosures of Barron's Dictionary of Insurance and Banks to provide a method for the conversion of personal assets into an individual retirement benefit program as described in claims 1 & 42.

Re. Claim 43, Tarbox discloses a method in accordance with claim 42 wherein said predefined threshold level corresponds to a desired high market value (Col. 3, lines 42-47, effects of self direction).

Re. Claim 44, Tarbox discloses a method in accordance with claim 42 wherein said predefined threshold level corresponds to a desired low market value (Col. 3, lines 42-47, effects of self direction).

4. Claims 14-25 are rejected under 35 U.S.C. 103(a) as being disclosed by Tyler (US Patent 5,523,942) in view of Jones, Cooperstein, Barron's Dictionary of Insurance Terms and Barron's Dictionary of Finance and Investment Terms.

Re. Claim 14, Tyler discloses a method for providing a client with a secure benefit account, said method comprising the steps of:

- identifying assets of said client employed towards purchase of plurality of benefits in said benefits account (Col. 1, line 45; Col. 4, lines 65-67; Col. 5, lines 32-36);
- receiving information from said client corresponding to said benefits in said benefits account (Col. 1, line 45; Col. 4, lines 65-67; Col. 5, lines 32-36);
- performing actuarial valuation so as to determine the value of each of said benefits in said benefits account (Col. 5, lines 2-5, lines 11-18);
- allocating said identified assets towards the purchase of at least a portion of said benefits based on said actuarial valuation of each of said benefits at selected

Art Unit: 3628

intervals (Col. 6, lines 13-45, especially ll. 21-25 & 37-40. Insurance companies sell various products which offer payment benefit streams to a living policy owner, including annuities, mixed life-benefit payment stream policies, and other pure investment products. Actuarial calculations are at the core of an insurance company's business.), and

Jones and Cooperstein disclose calculating benefit payments corresponding to said benefits for said person during and after said conversion period (Jones - Abstract, lines 1-4 - simulation; Cooperstein - Col. 3, lines 30-40 - annuity).

Tyler does not explicitly disclose a conversion period. However, conversion is well known in the financial services art as disclosed by Barron's Dictionary of Insurance Terms, pp. 103-104, which states "in group health insurance, a provision that allows a certificate holder to convert group coverage to an individual policy under specified conditions; also, the conversion of an employee's contributions of a defined benefit plan into a life annuity benefit payment stream at retirement. Barron's Dictionary of Finance and Investment Terms, Fifth Ed., 1995, p. 119 defines conversion as "the transfer of mutual fund shares without charge from one fund to another fund in a single family", and, "in insurance, switch from short-term to permanent insurance". It would therefore have been obvious to an ordinary practitioner of the art at the time of Applicant's invention to have considered the conversion of financial contracts as well known in the art and to have applied the concepts of conversion over a period of time during which the conversion from one asset to another takes place under either a fixed or negotiable set of contractual conditions. A financial institution might, for example, offer a fixed set of conditions or limited options thereof to conversion assets below a certain value and might offer a negotiated set of conditions to assets valued above such a threshold.

Tyler does not explicitly disclose wherein said benefit payments during said conversion period are made from said identified asset and said purchased benefits, and said benefit payments after said conversion period are provided by said purchased benefits. However, it would have been obvious to an ordinary practitioner of the art at the time of Applicant's invention that benefit payments during said conversion period are made from said identified asset and said purchased benefits, and said benefit payments after

said conversion period are provided by said purchased benefits, unless the conversion period is zero, i.e. there is no conversion period. As long as the identified asset(s) are of sufficient size to meet contractual payment criteria they will continue to produce the benefits in an approximate ratio to their original size until the underlying assets are reduced to zero, which is at the end of the conversion period. The stream of new benefits payments will begin to flow in proportion to their increasing funding size and will achieve their maximum size when they are fully funded at the end of the conversion period. Further, it is obvious that these contracts are all about payments being made and/or which are to be made to a beneficiary, who can be the user/customer/owner of a policy contract or a beneficiary designated by the user/customer/owner of the policy contract. The details of the chosen arrangements obviously can involve simultaneous payments from both the old/existing asset(s) and the new benefit contract during a conversion period in those cases where the old/existing asset is or is in a position to make benefit payments since that is all a part of the well known practice of conversions. Therefore, it would have been obvious to an ordinary practitioner of the art at the time of Applicant's invention to have combined the art of Tyler with the art of Jones and Cooperstein and with the obvious concept of benefit payments continuing from existing investments until they are depleted while beginning to receive payments from new investments or investment contracts, and that once a conversion period is completed that only the new investments will be paying benefits. The motivation for this combination would have been to provide more disclosure of the workings of the purchased benefit plans so that customers can appreciate and act on all such contracts critical components (Cooperstein, Col. 3, ll. 6-11).

Re. Claim 15, Tyler discloses a method according to claim 14 further comprising the step of identifying a plurality of benefits desired by said client (Col. 1, line 45; Col. 4, lines 65-67; Col. 5, lines 32-36).

Re. Claim 16, Tyler discloses a method according to claim 15 wherein said step of receiving information from said client further comprises the step of receiving from said client at enrollment and from time to time thereafter information from said client so as to allow modifications of said benefits (Col. 2, lines 40-55).

Art Unit: 3628

Re. Claim 17, Tyler discloses a method according to claim 16 wherein said step of receiving information from said client further comprises the step of receiving said client's choice of asset vehicle account (Col. 6, lines 13-14).

Re. Claim 18, Tyler discloses a method according to claim 17 further comprising the step of receiving said client's choice of investment vehicles in said asset vehicle account (Col. 6, lines 13-14).

Re. Claim 19, Tyler discloses a method according to claim 16 further comprising the step of allowing said client to modify at least one of said benefits (Col. 2, lines 40-55).

Re. Claim 20, Tyler discloses a method according to claim 19 further comprising the step of calculating benefit payments to said client and providing results of said calculations corresponding to a change in said benefits (Col. 5, lines 11-13).

Re. Claim 21, Tyler discloses a method according to claim 20 wherein said step of calculating benefit payments further comprises the step of actuarially evaluating the value of each of said benefits to be modified by said client (Col. 5, lines 2-5, lines 11-18).

Re. Claim 22, Tyler discloses a method according to claim 21 further comprising the step of receiving an instruction from said client to modify a benefit in said client's benefit account (Col. 2, lines 40-55).

Re. Claim 23, Tyler discloses a method according to claim 22 further comprising the step of employing a regulation database for evaluating the value of each of said benefits to be modified by said client (Col. 1, lines 49-58; Col. 5, lines 20-21; inherent in financial product information disclosure).

Re. Claim 24, Tyler discloses a method according to claim 23 further comprising the step of allowing said client to allocate said client's assets towards at least one of said benefits from a group of benefits consisting of pension payments, survivor pension payments, caregiver income payments, legacy income payments, legacy lump sum payments and long term care payments_(Col. 6, lines 13-14; Col. 5, lines 2-5).

Re. Claim 25, Tyler discloses a method according to claim 24 wherein said step of modifying said benefits includes the step of increasing benefit payments corresponding

Art Unit: 3628

to one of said benefits and decreasing benefit payments corresponding to another one of said benefits (Col. 2, lines 41-55).

5. Claims 26-29 are rejected under 35 U.S.C. 103(a) as being unpatentable over Tyler as applied to claim 21 above, and further in view of Jones and Barron's Dictionary of Insurance Terms.

Tyler does not explicitly disclose:

Re. Claim 26, a method according to claim 21 further comprising a step of gradually allocating said assets of said client towards the purchase of said benefits during a conversion period as set forth by said client.

Re. Claim 27, a method according to claim 26 further comprising the step of allowing said client to allocate said assets to a choice of a plurality of investment vehicles in various asset vehicle accounts.

Re. Claim 28, a method according to claim 27 further comprising the step of simulating results of conversion for various hypothetical conversion periods and various desired benefit and investment vehicle scenarios.

Re. Claim 29, a method according to claim 28 further comprising the step of employing a statistical analysis to determine probabilities of achieving desired benefits at the end of said conversion periods.

However, Jones discloses:

Re. Claim 26, a method according to claim 21 further comprising a step of gradually allocating said assets of said client towards the purchase of said benefits during a conversion period as set forth by said client (Barron's Dictionary of Insurance Terms, pp. 103-104; Jones - Col. 2, lines 49-51).

Re. Claim 27, a method according to claim 26 further comprising the step of allowing said client to allocate said assets to a choice of a plurality of investment vehicles in various asset vehicle accounts (Jones - Col. 6, lines 13-14).

Re. Claim 28, a method according to claim 27 further comprising the step of simulating results of conversion for various hypothetical conversion periods and various desired benefit and investment vehicle scenarios (Jones - Col. 2, lines 49-51).

Art Unit: 3628

Re. Claim 29, a method according to claim 28 further comprising the step of employing a statistical analysis to determine probabilities of achieving desired benefits at the end of said conversion periods (Jones - Col. 2, lines 36-44).

Therefore, it would have been obvious to an ordinary practitioner of the art at the time of applicant's invention to combine the disclosures of Tyler with those of Jones and Barron's Dictionary of Insurance to provide a method for the conversion of personal assets into an individual retirement benefit program as described in claims 14, 15, 16, 19-21 & 26-29.

6. Claim 49 is rejected under 35 U.S.C. 103(a) as being unpatentable over Tyler as applied to claim 14 above, further in view of Barron's Dictionary of Finance and Investment Terms, 4th Ed.

Re. Claim 49, Tyler does not explicitly disclose a method in accordance with claim 14 further comprising the step of specifying a collar corresponding to a range of target incomes a user intends to receive.

However, Tarbox discloses a method in accordance with claim 14 further comprising the step of specifying a collar corresponding to a range of target incomes a user intends to receive (Collar – establishing a minimum and/or a maximum income per Barron's Dictionary of Finance and Investment Terms, 4th Ed., 1995, p. 101; Tarbox - Col. 3, lines 42-47, effects of self direction).

Therefore, it would have been obvious to an ordinary practitioner of the art at the time of applicant's invention to combine the disclosures of Tyler with the disclosures of Tarbox and Barron's Dictionary of Insurance to provide a method for the conversion of personal assets into an individual retirement benefit program as described in claim.

7. Claim 54 is rejected under 35 U.S.C. 103(a) as being unpatentable over Tyler as applied to claim 16 above, and further in view of Ryan (US Patent 5,673,402).

Re. Claim 54, Tyler does not explicitly disclose a method in accordance with claim 16 further comprising the step of modifying said benefits by at least one of said client's survivor. However, Ryan discloses a method in accordance with claim 16 further

Art Unit: 3628

comprising the step of modifying said benefits by at least one of said client's survivor (Col. 21, lines 50-51, 54-56). Therefore, it would have been obvious to an ordinary practitioner of the art at the time of applicant's invention to combine the disclosures of Tyler with the disclosures of Ryan to provide a method for the conversion of personal assets into an individual retirement benefit program as described in claim.

8. Claim 50 is rejected under 35 U.S.C. 103(a) as being unpatentable over Tyler as applied to claim 20 above, and further in view of Cooperstein.

Re. Claim 50, Tyler does not explicitly disclose a method in accordance with claim 20 further comprising the step of making benefit payments in accordance with said calculating step. However, Cooperstein discloses a method in accordance with claim 20 further comprising the step of making benefit payments in accordance with said calculating step (Col. 5, lines 4-10). Therefore, it would have been obvious to an ordinary practitioner of the art at the time of applicant's invention to combine the disclosures of Tyler with the disclosures of Cooperstein to provide a method for the conversion of personal assets into an individual retirement benefit program as described in claims 14 & 50.

9. Claims 30-37 & 51 are rejected under 35 U.S.C. 103(a) as being unpatentable over Tarbox in view of Tyler, and further in view of the Barron's Dictionary of Insurance Terms, 3rd Ed.

Re. Claim 30, Tarbox discloses a secure retirement system for providing a person with a secure retirement program using assets owned by said person said system comprising:

- an interactive component for enabling said person to respond to a plurality of decision queries, wherein at least one of said decision queries allows said person to select at least one benefit for retirement from a plurality of different types of said benefits available via said system (Col. 2, lines 1-3, 52-58);

Tyler discloses:

Art Unit: 3628

- a component for allocating assets associated with said person towards purchase of said selected benefit for retirement at selected intervals during a specified period of time (Col. 1, lines 35-48; Col. 2, lines 41-55; Col. 6, lines 13-45); and
- a payment process component for providing benefit payments corresponding to said selected benefits for retirement during and after said period of time, wherein said benefit payments during said period of time are made from said assets and said purchased benefits, and said benefit payments after said period of time are provided by said purchased benefits (Col. 5, lines 2-5; Col. 13, lines 20-35).

Tyler does not explicitly disclose a conversion period. However, conversion is well known in the financial services art as disclosed by Barron's Dictionary of Insurance Terms, pp. 103-104, which states "in group health insurance, a provision that allows a certificate holder to convert group coverage to an individual policy under specified conditions; also, the conversion of an employee's contributions of a defined benefit plan into a life annuity benefit payment stream at retirement. Barron's Dictionary of Finance and Investment Terms, Fifth Ed., 1995, p. 119 defines conversion as "the transfer of mutual fund shares without charge from one fund to another fund in a single family", and, "in insurance, switch from short-term to permanent insurance". It would therefore have been obvious to an ordinary practitioner of the art at the time of Applicant's invention to have considered the conversion of financial contracts as well known in the art and to have applied the concepts of conversion over a period of time during which the conversion from one asset to another takes place under either a fixed or negotiable set of contractual conditions. A financial institution might, for example, offer a fixed set of conditions or limited options thereof to conversion assets below a certain value and might offer a negotiated set of conditions to assets valued above such a threshold. Therefore, it would have been obvious to an ordinary Tarbox with the disclosures of Tyler and Barron's Dictionary of Insurance Terms to provide a method for the conversion of personal assets into an individual retirement benefit program as described in claim 30.

Re. Claim 31, Tarbox discloses a secure retirement system of claim 30, wherein said interactive element is an Internet Web site (Col. 6, lines 47-53).

Art Unit: 3628

Re. Claim 36, Tarbox discloses a secure retirement system of claim 31, wherein said conversion component allows acceleration of said conversion period such that the entire remaining asset of said client is allocated towards the purchase of said selected benefits at any time during said conversion period (Col. 3, lines 42-47, effects of self direction).

Tyler discloses:

Re. Claim 32, a secure retirement system of claim 31, wherein said assets comprise a plurality of asset categories from a group consisting of qualified plans, home equity, annuities, life insurance, personal equity and fixed income investments (Col. 5, lines 2-5).

Re. Claim 33, a secure retirement system of claim 32, wherein said asset categories are coupled to a plurality of asset vehicle accounts from a group of accounts consisting of IRA, annuity, reverse mortgage mutual fund and brokerage accounts (Col. 5, lines 2-5).

Re. Claim 34 a secure retirement system of claim 33 wherein said asset vehicle accounts include investment vehicles from a group of investment vehicles consisting of money market funds, bond funds, index funds, market linked deposits and stocks (Col. 5, lines 2-5).

Re. Claim 35, a secure retirement system of claim 31, wherein said decision queries comprise a choice of decisions from a group consisting of a conversion period decision, an asset vehicle decision, a collar decision, a benefit index decision, a pension benefit decision, a survivor benefit decision, a caregiver benefit decision, a long term care benefit decision, a legacy income payment decision, and a legacy lump sum payment decision (Abstract – Choices of Life Insurance proposals, Col. 5, lines 2-5).

Re. Claim 37, a secure retirement system of claim 34, further comprising:

- an actuarial valuation component for performing actuarial valuation at said selected intervals so as to determine the value of each of said benefits purchased during said conversion period (Col. 5, lines 2-5, lines 11-18); and

Art Unit: 3628

- a valuation of asset vehicle component for calculating the market value of remaining assets to be converted during the remaining portion of said conversion period (Col. 5, lines 11-18; Col. 6, lines 59-65).

Re. Claim 51, a method in accordance with claim 32 wherein said personal equity includes mutual funds (Col. 5, lines 2-5).

Therefore, it would have been obvious to an ordinary practitioner of the art at the time of applicant's invention to combine the disclosures of Tarbox and Barron's Dictionary of Insurance Terms with the disclosures of Tyler to provide a method for the conversion of personal assets into an individual retirement benefit program as described in claims 30-37 & 51.

10. Claims 38 & 39 are rejected under 35 U.S.C. 103(a) as being unpatentable over Tarbox, Tyler and Barron's Dictionary of Insurance Terms as applied to claim 37 above, and further in view of Jones.

Tarbox does not explicitly disclose:

- **Re. Claim 38**, a secure retirement system of claim 37 further comprising a simulation process component for simulating results of conversion for various hypothetical conversion periods and various desired benefits using investment vehicles specified by said person, said simulation process component employing a plurality of random market scenarios.
- **Re. Claim 39**, a secure retirement system of claim 38 wherein said simulation process component employs a statistical analysis to determine probabilities of achieving desired benefits at the end of said hypothetical conversion periods.

However, Jones discloses:

Re. Claim 38, Jones discloses a secure retirement system of claim 37 further comprising a simulation process component for simulating results of conversion for various hypothetical conversion periods and various desired benefits using investment vehicles specified by said person, said simulation process component employing a plurality of random market scenarios (Abstract, lines 1-4, simulation).

Art Unit: 3628

Re. Claim 39, Jones discloses a secure retirement system of claim 38 wherein said simulation process component employs a statistical analysis to determine probabilities of achieving desired benefits at the end of said hypothetical conversion periods (Jones - Col. 2, lines 37-38, 49-64).

Therefore, it would have been obvious to an ordinary practitioner of the art at the time of applicant's invention to combine the disclosures of Tarbox and Jones to provide a system for the conversion of personal assets into an individual retirement benefit program as described in claims 30, 38 & 39.

Response to Arguments

13. Applicant's arguments filed on February 6, 2004 have been fully considered but they are not persuasive for the following reasons:

Applicant's amendment of claim 14 necessitated new grounds of rejection for claim 14, making moot Applicant's arguments in regard to the rejection of claim 14 and all of its dependencies.

In response to applicant's arguments regarding the term "conversion period" (page 19, l. 19 – page 20, l. 16), applicant's attention is directed to the fact that the Examiner's definition of the term "conversion period" is not the same as in Applicant's claims. The Examiner maintains that he has properly used this term because the Examiner has interpreted the term in its broadest reasonable meaning as required by MPEP 2111 (During patent examination, the pending claims **must** (underlining and bolding added) be "given their broadest reasonable interpretation consistent with the specification." > In re Hyatt, 211 F.3d 1367, 1372, 54 USPQ2d 1664, 1667 (Fed. Cir. 2000)). Applicant has not defined the term in a special way in the specification as required if Applicant is to make use of the right to be his own lexicographer. This doctrine is spelled out in Toro Co. v. White Consolidated Industries Inc. (An applicant is entitled to be his or her own lexicographer, and in many instances will provide an

Art Unit: 3628

explicit definition for certain terms used in the claims. Where an explicit definition is provided by the applicant for a term, that definition will control interpretation of the term as it is used in the claim. 199 F.3d 1295, 1301, 53 USPQ2d 1065, 1069 (Fed. Cir. 1999) (meaning of words used in a claim is not construed in a "lexicographic vacuum, but in the context of the specification and drawings."). Other court decisions have ruled in a similar manner: Office personnel should determine if the original disclosure provides a definition consistent with any assertions made by applicant. See, e.g., *In re Paulsen*, 30 F.3d 1475, 1480, 31 USPQ2d 1671, 1674 (Fed. Cir. 1994) (inventor may define specific terms used to describe invention, **but must do so "with reasonable clarity, deliberateness, and precision" and, if done, must "set out his uncommon definition in some manner within the patent disclosure' so as to give one of ordinary skill in the art notice of the change" in meaning** (underlining and bolding added) (quoting *Intellicall, Inc. v. Phonometrics, Inc.*, 952 F.2d 1384, 1387-88, 21 USPQ2d 1383, 1386 (Fed. Cir. 1992)). Any special meaning assigned to a term "must be sufficiently clear in the specification that any departure from common usage would be so understood by a person of experience in the field of the invention." *Multiform Desiccants Inc. v. Medzam Ltd.*, 133 F.3d 1473, 1477, 45 USPQ2d 1429, 1432 (Fed. Cir. 1998). If an applicant does not define a term in the specification, that term will be given its "common meaning." *Paulsen*, at 30 F. 3d 1480, 31 USPQ2d at 1674.

In response to applicant's arguments against the references individually, one cannot show nonobviousness by attacking references individually where the rejections are based on combinations of references. See *In re Keller*, 642 F.2d 413, 208 USPQ 871 (CCPA 1981); *In re Merck & Co.*, 800 F.2d 1091, 231 USPQ 375 (Fed. Cir. 1986). In this context, Applicant argues that Tarbox, Jones, Cooperstein and Tyler each do not teach or suggest certain matters involving the rejections. For Applicant's convenience it is noted that in the ten rejection statements, all are obviousness rejections, with the primary reference being Tarbox five times and Tyler five times. The

Art Unit: 3628

Jones, Cooperstein, Barron's, Banks and Ryan references are only used as secondary references.

In response to applicant's arguments regarding the Tarbox reference, applicant's attention is directed to the fact that Tarbox is cited in combination with other references on the basis of obviousness, as stated supra. Tarbox is combined with Jones, Cooperstein and Barron's Dictionary of Insurance Terms in rejecting independent claim 1-4, 6, 7, 40, 41, 45 & 47, supra; with Jones, Cooperstein, Barron's Dictionary of Insurance Terms and Tyler in rejecting claims 5, 8-13, 46, 48, 52 & 53, supra; with Jones, Cooperstein, Barron's Dictionary of Insurance Terms and Banks in rejecting claims 42-44, supra; with Tyler and Barron's Dictionary of Insurance Terms in rejecting claim 30-37 & 51, supra; and with Tyler, Barron's Dictionary of Insurance Terms and Jones in rejecting claims 38 & 39, supra. The obviousness motivation is stated in each rejection, supra. Applicant twice argues that Tarbox does not "teach or suggest an arrangement wherein the system calculates benefit payments corresponding to selected benefits during and after a conversion period" (p. 18, ll.13-15; p. 23, ll. 4-6). As Applicant can see supra, the rejection of this calculation is based on the disclosure of Jones and Cooperstein, as stated in the rejection of claims 1 and 14, which explicitly disclose different aspects of the calculations used in working with a user/customer who desires to convert existing financial asset contracts into different new benefits which offer payment streams.

In response to applicant's arguments regarding the Jones reference, applicant's attention is directed to the fact that Jones is cited in six rejection statements in combination with other references on the basis of obviousness, as stated supra. Jones is combined with Tarbox, Cooperstein and Barron's Dictionary of Insurance Terms in rejecting independent claim 1-4, 6, 7, 40, 41, 45 & 47, supra; with Tarbox, Cooperstein, Barron's Dictionary of Insurance Terms and Tyler in rejecting claims 5, 8-13, 46, 48, 52 & 53, supra; with Tarbox, Cooperstein, Barron's Dictionary of Insurance Terms, and Banks in rejecting claims 42-44, supra; with Tyler and Cooperstein in rejecting claims

Art Unit: 3628

14-25, supra; with Tyler and Barron's Dictionary of Insurance Terms in rejecting claims 26-29, supra; and with Tarbox, Tyler and Barron's Dictionary of Insurance Terms in rejecting claims 38 & 39, supra. The obviousness motivation is stated in each rejection, supra. Applicant argues on p. 18, ll. 19-21; that "there is no teaching or suggestion in Jones for a system that provides a conversion period specifiable by a user, during which certain identifiable assets are used to purchase desired secure benefits". As Applicant can see in the rejections claim limitations involving conversions of contracts from one to another under a wide variety of terms and conditions, and related conversion periods, supra, these are rejected on the basis of being well known vehicles in the insurance and investment segments of the financial services industry based on the evidence presented by Barron's Dictionary of Insurance Terms, as stated with appropriate motivation in each related rejection, supra. Applicant further argues on p. 18, l. 21 – p. 19, l. 3 that Jones provides no teaching or suggestion regarding wherefrom a user receives payments during and after the conversion period. Again, the rejection of these claim limitations are based on the obviousness of such payment arrangements in such conversion scenarios, as stated supra with appropriate motivation statements in the rejections of claims 1 and 14.

In response to applicant's arguments regarding the Cooperstein reference, applicant's attention is directed to the fact that Cooperstein is cited five rejection statements in combination with other references on the basis of obviousness, and, further, only as a secondary reference, as stated supra. Cooperstein is combined with Tarbox, Jones and Barron's Dictionary of Insurance Terms in rejecting independent claim 1-4, 6, 7, 40, 41, 45 & 47, supra; with Tarbox, Jones, Barron's Dictionary of Insurance Terms and Tyler in rejecting claims 5, 8-13, 46, 48, 52 & 53, supra; with Tarbox, Jones, Barron's Dictionary of Insurance Terms, and Banks in rejecting claims 42-44, supra; with Tyler and Jones in rejecting claims 14-25, supra; and with Tyler in rejecting claim 50, supra. Applicant's two specific arguments are located on page 19, ll. 11-18. The first argument (ll. 11-13) is again related to Cooperstein not teaching or suggesting "a system that allows the user to specify a conversion period during which

Art Unit: 3628

the assets identified by the user are used to purchase secure benefits". As stated supra, Barron's and obviousness to the ordinary practitioner of the art, not Cooperstein, are relied on for this the rejection of this limitation. The second argument (Il. 13-18) is the same as the argument regarding the lack in Jones, regarding wherefrom a user receives payments during and after the conversion period. Again, the rejection of these claim limitations are based on the obviousness of such payment arrangements in such conversion scenarios, as stated supra with appropriate motivation statements in the rejections of claims 1 and 14.

In response to applicant's arguments regarding the Tyler reference, applicant's attention is directed to the fact that Tyler is stated in combination with other references on the basis of obviousness, as cited supra. Tyler is combined with Tarbox, Jones, Cooperstein and Barron's Dictionary of Insurance Terms in rejecting claims 5, 8-13, 46, 48, 52 & 53, supra; with Jones and Cooperstein in rejecting claims 14-25, supra; with Jones and Barron's Dictionary of Insurance Terms in rejecting claims 26-29, supra; with Barron's Dictionary of Insurance Terms in rejecting claim 49, supra; with Ryan in rejecting claims 26-29, supra; with Cooperstein in rejecting claim 50, supra; with Tarbox and Barron's Dictionary of Insurance Terms in rejecting claims 30-37 & 51, supra; and with Tarbox, Jones and Barron's Dictionary of Insurance Terms in rejecting claims 38 & 39, supra. The obviousness motivation is stated in each rejection, supra. Applicant makes two arguments, each of which he cites twice. Applicant's first argument against Tyler is that "there is no teaching in Tyler to allocate a group of identified assets towards the purchase of a selected set of benefits that a client desires in a benefit account" (p. 21, Il. 16-21; p. 23, Il. 13-14). This limitation is known as a conversion. Tyler is not relied upon for conversions, as this is relied upon Barron's and the obviousness to the ordinary practitioner of the art. Applicant's second argument against Tyler, also cited twice, is that "Tyler does not teach or suggest an arrangement wherein a conversion period is set, during which the identified assets are used to gradually purchase the various selected benefits. Not does Tyler teach or suggest the arrangement wherein during this conversion period, the system allows the user to receive benefits from both

Art Unit: 3628

the identified assets and the purchased benefits, and the user to receive benefits from the purchased benefits after the conversion period has ended" (p. 22, ll. 1-6; p. 23, l. 19 – p. 24, l. 3). Again, in the rejections of these limitations, *supra*, Barron's, not Tyler, is relied upon for conversions, and obviousness to the ordinary practitioner of the art is relied upon for the payment details. It must also be pointed out that the Tyler reference is a full service disclosure of the insurance oriented investment services industry, teaching a broad spectrum of services which implicitly includes conversions of investment and insurance programs and the implicit benefit payments received from both the assets being converted and new benefit payments being converted to, as cited in the referenced sections of Tyler. The following excerpt from Tyler makes this plain: sections include Col. 2, ll. 44-55: "Often, a request by an agent, customer or actuary may involve projecting out twenty or more years into the future, interpreting existing information on a previously sold product, or projecting the impact on policy values if certain product assumptions are modified, as well as providing specific point in time information.

Additionally, based on an issued policy, information about a change in policy features may be requested. An example of such a request might be to provide information as to the premium level if the amount of insurance in force with the policy is reduced or a rider or benefit is added, modified or deleted".

Conclusion

14. Applicant's amendments necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of

Art Unit: 3628

the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

15. Any inquiry concerning this communication or earlier communications from the Examiner should be directed to Siegfried Chencinski whose telephone number is 703-305-6199. The Examiner can normally be reached Monday through Friday, 9am to 6pm. If attempts to reach the Examiner by telephone are unsuccessful, the Examiner's supervisor, Hyung S. Sough, can be reached on 703- 308-0505.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the Receptionist whose telephone number is (703) 308-1113.

Any response to this action should be mailed to:

Commissioner of Patents and Trademarks Washington D.C. 20231

or faxed to:

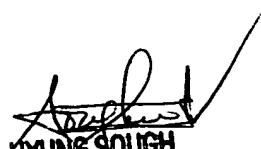
(703)305-7687 [Official communications; including After Final communications labeled "Box AF"]

(703) 746-8177 [Informal/Draft communications, labeled "PROPOSED" or "DRAFT"]

Hand delivered responses should be brought to Crystal Park 5, 2451 Crystal Drive, Arlington, VA, 7th floor receptionist.

SEC

April 30, 2004


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